



Testimony of Connecticut Fund for the Environment

Before the Energy & Technology Committee

Concerning:

Raised Bill 450, AN ACT CONCERNING ENERGY CONSERVATION AND RENEWABLE ENERGY.

Submitted by
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March 20, 2012

Connecticut Fund for the Environment ("CFE") is a non-profit environmental organization with over 5,400 members statewide. The mission of CFE is to protect and improve the land, air and water of Connecticut and Long Island Sound. For more than twenty-five years, CFE has used legal and scientific expertise to bring people together to achieve results that benefit our environment for current and future generations.

Senator Fonfara, Representative Nardello and members of the Committee, Connecticut Fund for the Environment is pleased to have the opportunity to offer the following testimony on Raised Bill No. 450.

Section 1. Section 1 of the bill proposes to establish a fuel oil conservation account to support the delivery of energy efficiency services to oil-heated homes through the replacement of inefficient heating equipment with energy-efficient models and making energy efficiency improvements to buildings. This account is to be funded from revenue collected from the petroleum gross receipts tax in excess of any amount collected in the fiscal year ending in June of 2011, but caps the amount at \$10 million.

While we applaud the Committee's recognition of the critical need to address energy efficiency in oil-heated homes, we are not sure that this mechanism will, by itself, address the fundamental issue in this regard. Specifically, the state needs a stable, long-term source of funding for efficiency measures in oil-heated homes. Relying on excess revenue from the Gross Receipts Tax is likely to be provide an uncertain and highly volatile funding source that may provide little stability or certainty to either home-owners or vendors.

This section also proposes to use the proceeds of the oil conservation fund to support the installation of oil heating equipment in building currently serviced by electric resistance heat. Aside from the use of oil conservation funds to increase rather than decrease the use of heating oil in the state, CFE questions whether this is the right approach for the state given record-high heating prices.

Section 3. This section proposes the establishment of a municipal natural gas vehicle pilot program, focused on heavy-duty vehicles and school buses. While CFE supports efforts to transition Connecticut's vehicle fleet to cleaner, less polluting power sources, we question the diversion of consumer-paid natural gas funds that are currently devoted to energy efficiency programs and reducing customer's energy bills.

Sections 9 & 10. These sections expand the scope of certain regulated service companies to cut or trim trees that may fall into an electric distribution wire or conductor. While recognizing the need for proper maintenance of our electricity distribution system, CFE is concerned that the language as written deletes existing requirements to obtain the consent of the landowner on whose property the tree sits. This seems unnecessary to effectuate the purpose of the section. CFE believes that it is generally the right approach to err on the side of providing more notice and process rather than less.

We would further note that the state went through a fairly exhaustive process as part of the Two Storm Panel proceedings. The Panel worked with experts in many fields to come up with recommendations on how to better prepare for the future. The Panel's final report addressed tree trimming and recommended that a State Vegetation Management Task Force "develop standards for road side tree care in Connecticut, vegetation management practices and schedules for utility rights of way, right tree/right place standards, licensing standards for tree wardens, municipal tree inventories and pruning schedules. CFE believes that any legislative proposals to change the power and authority of the state's regulated utilities with respect to tree trimming should be informed by the recommendations of the Task Force.

Section 14. CFE supports the improvement of the state's electric reliability through the establishment of local micro-grids and the expansion of clean, renewable customer-side distributed generation. We believe, however, that any policy to promote should be carefully developed in order to promote the twin goals of grid reliability and the promotion of clean renewable generation.

We are concerned that the current language could dilute the effectiveness of the state's Renewable Portfolio Standard by substituting Class III resources for Class I requirements substituting fossil-fired distributed generation (such as diesel generators) for less-polluting alternatives.

Sections 18 & 19. While the intent of the new language, altering the way in which Renewable Energy Credits are applied toward compliance with the Renewable Portfolio Standard, is unclear the result appears to be allowing for the "stacking" of RECs over a three year period, which would effectively lower the RPS targets.

CFE strongly opposes any changes to the current RPS requirements that would dilute or weaken

the incentive they provide to promote the development of clean, renewable energy sources.

Section 21. This section removes the \$500,000 cap on efficiency program expenditures for oil customers that was put in place by Public Act 11-80. It specifies that all oil, gas, and electric heat customers will be able to access the services of the Home Energy Solutions program at the same costs regardless of heating source. CFE fully endorses restoring oil-heated homes to parity with homes heating with natural gas or electricity.

Providing energy efficiency services to oil-heated homes is more important than ever given that the price of home heating oil is at record levels, while federal funds to support heating assistance have dropped precipitously. In addition to negatively impacting oil customers, limiting efficiency program funding for oil-heated homes adversely impacts HES vendors, individuals and firms that work in the HVAC field, and home performance contractors by limiting the ability of these businesses to grow within the state.

Accordingly, CFE fully supports removing the cap on funding for oil efficiency measures.

Thank you for the opportunity to comment.

